CITY LIVING MORTGAGE PROGRAM

Purchase/Rehab and Refinance/Rehab



Welcome to the City of Saint Paul's Purchase/Rehab Refinance/Rehab Program. This program was designed to provide one mortgage at a long term fixed interest rate. It's a special program that involves some extra steps not usually required in other mortgage programs. This diagram will help lead you through the process from application to final payment to contractors.

Sometimes the contractor may need to prepare drawings to obtain the building permit.



You've found the home for you and you have the purchase agreement OR you have made the decision to refinance/rehab your current home.

Using a general contractor saves time– Competitive bids from general contractors save money!



Now obtain preliminary bids from state licensed contractors (call 651/296-6319 to verify state license). Sorry–sweat equity not allowed.

Now is the time to start looking into home owners insurance for your new home or upgrade your current insurance policy to cover your new mortgage.



Now call a loan officer to make an appointment for application. You will pay application fees and will receive a Good Faith Estimate of closing costs.



Your rehab advisor inspects the property, reviews your plans, gives you a list of the repair items that must be included in construction. You, your contractor and rehab advisor finalize the scope of the work.



Your rehab advisor requests all required paperwork from your contractor. A 10% to 20% contingency is required for unforeseen problems. Your rehab advisor will determine this amount.

Loan officer's credit file in process



The loan officer orders the after-rehab appraisal based on finalized scope of work.



When the loan officer receives the appraisal, the appraisal and your credit file are sent to the program underwriter.



The loan officer gets the approval from the underwriter and prepares for the loan closing at the Title Insurance Company.

LOAN CLOSING

This is when you start making payments on your new mortgage.

STEP 9

Seller/mortgage company is paid off. The Title Insurance Company opens an escrow account with your rehab loan money.



After your recision period expires and documents are recorded, we send your contractor notice to proceed to work and information on your construction deadline dates. Your project begins.

Rehab advisor inspections are required before each payment to your contractor.

Ten percent
of each payment is
withheld until the project
is completed.

STEP 11 When the final inspection has been made, your contractor receives the final payment from the escrow account.

Any loan money that has not been spent is applied against the loan balance of your new mortgage.

CONGRATULATIONS

Thank you for choosing Saint Paul. We hope you enjoy your new improved home.



CITY OF SAINT PAUL Department of Planning and Economic Development

651/266-6626

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